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PART I

# Pair Linked to Iran Missile Plot Put Out Magazines

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**SAN FRANCISCO**—Two Bay Area men accused of being part of a plot to sell thousands of missiles to Iran were described Friday by friends and acquaintances as personality opposites whose common bond was a penchant for writing in obscure electronic warfare magazines.

In fact, Paul Sjeklocha, alias Paul Cutter, and George Neranchi operated for the last several months out of a small Santa Clara magazine company that published two highly technical defense system journals.

EDA Publishing Co., which was reported to be in financial difficulties after failing to meet publication schedules for several months, is now ready to resume operations, according to one of its writers.

Neranchi is the firm's publisher and Sjeklocha is "undercurrents editor."

## Conspiracy Charge

Seven people, including Sjeklocha, Neranchi and a U.S. Army lieutenant colonel, were charged Thursday with conspiracy to sell sophisticated American and French weapons to Iran for more than \$140 million.

Sjeklocha allegedly told an undercover FBI agent he had received "between \$6 million and \$8 million in profit" from arms dealings with the Iranians over the last two years.

In interviews with friends, neighbors and acquaintances, Sjeklocha was described as a colorful braggart, full of stories about exploits in the Soviet Union and China. Neranchi was pictured as a mild-mannered, successful Silicon Valley executive.

Harry Martin of Napa, publisher of a competing magazine, *Defense Systems Review*, and the man who hired Sjeklocha and Neranchi to work for another journal in 1983, called Sjeklocha as a man who "never shut up." Neranchi, on the other hand, their former boss said, was "gentle, personable . . . more closed-mouthed about things."

## Work With CIA Claimed

Martin said Sjeklocha told him that he worked for the CIA in Moscow during the 1970s taking dissidents out of the Soviet Union. Sjeklocha told Martin that he was later arrested by the Russians and held in a Yugoslavian jail from 1976 to 1981.

Sjeklocha also claimed, according to Martin, that he was once shot in the head on the Chinese-Russian border and that the "most beautiful thing he ever saw was the face of the Russian soldier as he was carried to safety."

Martin said that while Sjeklocha was a "name-dropper and a master at getting people to do things for him," Neranchi was more "down to earth."

Although Martin said the pair were not particularly good friends, they overcame their personal difficulties enough to launch two defense publications, *Journal of C4I Countermeasures* and *Military Science and Technology*, together with Laina Farhat, Neranchi's fiancée.

## Experts Elited

The threesome were able to enlist the support of many well-known experts in the defense field, including Reagan Administration arms control negotiator Eugene V. Rostow and at least two senior fellows at the Hoover Institution at Stanford University.

One source at the Hoover Institution, a contributor to the magazines who asked not to be identified, described Sjeklocha as "an engaging man, widely read—a man of broad culture."

Julian Lake, a retired Navy admiral and a contributor to the journals, said he disagreed with Martin's assessment of Sjeklocha.

"He didn't boast a lot—at least to me," Lake said from his Santa Clara home Friday. He agreed that the pair have different personalities.

## 'Wheeler-Dealer'

"Neranchi was a marketeer," Lake said, "while Cutter (Sjeklocha) was a more of a wheeler-dealer type of guy."

Sjeklocha, 47, lives with his second wife, Pat, in a modest home in the western part of San Jose. One resume lists him as a one-time college professor, but his last known occupation was working for

the magazine. Martin said Sjeklocha was born in Iowa of Yugoslav parents.

A profile printed in the September, 1984, issue of the *Journal of C4I Countermeasures* describes Sjeklocha as a "political scientist with an academic background in Communist systems (who) served for a time in Moscow with the USIA (United States Information Agency)."

USIA officials in Washington confirmed Sjeklocha worked for the agency in 1963 in Moscow but was barred from future employment with the agency after he wrote a book that the agency said compromised a dissident Soviet artist. Sjeklocha's "Unofficial Art in the Soviet Union" was published

by the University of California Press in 1967.

Sjeklocha's bent for the flamboyant sometimes rubbed people the wrong way.

One of Sjeklocha's neighbors finally "got tired of listening to him" talk about his many trips abroad. "He was always telling you how he was going over to Paris and other places like that to have meetings with admirals and generals. . . ." Norman Widaseck said.

But another neighbor, Marilyn Intrieri, found Sjeklocha stimulating.

"He was a very patriotic person who cared about his country. . . ." Intrieri said. "He was appalled when the Berkeley City Council refused to have a Pledge of Alle-

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